



➤ **TOP 10** ➤ ➤ **Real Estate Withholding Errors** **That Delay Document Processing/ Payment Allocation**

CATEGORY	➤ ERROR	➤ SOLUTION
■ Forms	Incorrect or incomplete information provided on withholding documents	Answer all applicable fields completely and accurately. Also, include a telephone number so we can reach you directly if an error occurs.
	Incorrect form	Verify the correct form type and year of withholding before submitting. Installment sales use Form 593-I, <i>Real Estate Withholding Installment Sale Agreement</i> , and include a copy of the promissory note.
	Multiple and/or unrelated sellers on one withholding form	A separate withholding form is used for each of the sellers (other than joint filers) allocating the proportional share of withholding.
	Unnecessary paperwork sent to FTB	Cover letters, closing statements, and form instructions are generally not documents necessary to allocate withholding to taxpayers. Send in the required forms only.
	Forms 593-C and 593-E sent to FTB	Forms 593-C, <i>Real Estate Withholding Certificate</i> , and 593-E, <i>Real Estate Withholding - Computation of Estimated Gain or Loss</i> , should not be sent to FTB unless requested. Sellers should retain the 593-E for five years and escrow persons should retain the 593-C for five years.
	Incorrect person/entity listed	Withholding is done on the seller listed on the title. For trusts, see FTB Form 7429, <i>Do I Need to Withhold on This Trust?</i> , for assistance in determining withholding and guidelines on the types of trusts. Make sure the identification number of the seller is included, not the trustee, beneficiary, etc.
■ Identification	Omitting or using an incorrect identification number	Enter the correct identification number(s) on all the withholding identification number documents. If the seller has applied for a tax identification number, but it has not been received, enter "Applied For" in the space for the seller's ID and attach a copy of the federal application. *Note: Form 593-C must have an identification number to be valid.
	Non-real estate related payments	Lien or bill payments should not accompany real estate withholding payments. For additional information on payoff amounts for liens, contact our Lien Department at (916) 845-4350 (not toll-free).
■ Payments	No information included with payment	Make sure all payments remitted include the correct withholding documents, identification number, and the exact legal name. Register for the Electronic Funds Transfer (EFT) Program. For more information, visit our Website at www.ftb.ca.gov or call (916) 845-4025(not toll-free).
	One payment for multiple transactions that do not match submitted documents	Payments for multiple transactions should equal the total amounts of the submitted withholding documents.